



**NORTH DAKOTA  
RETIREMENT AND  
INVESTMENT OFFICE**  
*Teachers' Fund for Retirement  
State Investment Board*

## DISABILITY RETIREMENT BENEFITS

Your TFFR retirement plan provides disability retirement benefits should you become disabled and unable to perform your normal job duties.

### ELIGIBILITY REQUIREMENTS

- One or more years of North Dakota service credit.
- Employed by a TFFR employer at the time of disability.
- Disability must be "total" and result in your inability to perform the duties of a teacher for 12 months or more due to a medical condition.

### APPLICATION PROCESS

Upon request, a disability application packet will be sent to you containing disability information and forms to be completed by you, your employer, and your physician.

The disability application must be filed within thirty-six months from your last day of covered employment. However, you may apply for and receive disability benefits while on an approved medical leave of absence as long as you applied for benefits within the 36-month time frame.

In order to review your disability application, your employer must provide us with information about your employment status, sick leave benefits, and explain how your disability affects performance of job duties.

You must also provide TFFR with a medical examination report completed by your physician. A medical examination report is not necessary if you provide written proof documenting your eligibility for Social Security disability benefits. The Retirement and Investment Office is not liable for any costs incurred in undergoing the medical examinations and completing and submitting the necessary reports. This also applies to the recertification process.

Once we receive all of the necessary documentation, TFFR's independent medical consultant will review your application and make a recommendation to the TFFR Board of Trustees.

The TFFR Board will review your application and determine your eligibility for disability benefits. You have the right to attend or be represented at this meeting. The discussion is confidential and closed to the public.

If approved, you will be notified and receive disability enrollment forms. If denied, you may appeal this decision by initiating a formal action against the Board in accordance with NDAC 82-10-01-01 and NDCC 28-32.

### BENEFIT CALCULATION AND PAYMENT OPTIONS

The disability benefit is calculated using the current retirement formula without reduction for age and assumes the member has a minimum of 20 years of service credit. If you have more than 20 years of TFFR service credit, actual service credit will be used in the disability benefit calculation.

Your disability retirement annuity is payable to you for life. However, you may elect a reduced benefit to provide additional survivor benefit protection for your beneficiary under joint and survivor or term certain options. If you are married, your spouse, if designated as beneficiary,

### Examples:

#### Teacher A

Age: 30 years  
Service: 8 years  
Final Average Monthly Salary: \$2,000

$\$2,000 \times 20 \text{ Years} \times 2.0\% = \$800 \text{ month}$   
Single Life Annuity Disability Benefit

#### Teacher B

Age: 50 years  
Service: 25 years  
Final Average Monthly Salary: \$2,000

$\$2,000 \times 25 \text{ Years} \times 2.0\% = \$1,000 \text{ month}$   
Single Life Annuity Disability Benefit

must consent in writing to the form of payment option you elect. If spousal consent is not obtained, the form of benefit payment will be the 50 percent joint and survivor option.

### DESIGNATING A BENEFICIARY

When you enroll for disability benefits, you will be provided with a beneficiary form to update your beneficiary designation. If you are married, you must name your spouse as beneficiary or provide written spousal approval to name an alternate beneficiary. If you are not married, or if you have written spousal consent, you can name any person(s), organization, church, charity, or your estate as beneficiary of your retirement account.

### PAYMENT OF DISABILITY BENEFITS

Your disability retirement date will be the first day of the month following your last date of paid employment. Benefits are paid on or retroactive to this date. You may receive this benefit for life, as long as you remain eligible. Periodic eligibility recertifications are required.

# DISABILITY RETIREMENT BENEFITS

## DIRECT DEPOSIT

Direct deposit (electronic fund transfer) is the required method of payment. It is a safe, fast, and cost effective method of receiving your monthly benefit. Direct deposit guarantees that your annuity check is deposited to your checking or savings account on the first working day of every month. It also eliminates problems with lost or misplaced checks.

## TAXES

Disability payments are taxable as ordinary income until you reach normal retirement age (Rule of 85 or age 65). After you reach normal retirement, you will begin to recover the non-taxable part of your annuity, if any. The taxable and nontaxable portions of your benefit are calculated using a formula provided by the Internal Revenue Service. You will receive a 1099-R tax form each year indicating your taxable income.

A member who retires under disability may be able to qualify for the "Credit for the Elderly or the Disabled." See IRS Publication 524. Personal income tax questions should be directed to your accountant, tax advisor, or Internal Revenue Service Center.

## NDPERS GROUP INSURANCE

Members who are receiving a monthly disability benefit from TFFR may be eligible to participate in the group health, dental and vision insurance programs administered by the North Dakota Public Employees Retirement System (PERS). Monthly premiums can be deducted from your TFFR pension check or bank account. For additional information and rates, contact the NDPERS office at 701-328-3900 or toll-free 1-800-803-7377.

## POSTRETIREMENT BENEFIT INCREASES

The TFFR plan does not contain provisions for automatic cost of living adjustments. However, ad hoc benefit increases may be made to your disability retirement benefits if approved by the Legislature.

## RETURN TO EMPLOYMENT

If you return to teach, you must notify the administrative office in writing. The disability benefit will cease the first day of the month following the date you return to teach or are not recertified eligible for continued benefits.

However, in some cases, a disability benefit may continue for up to six months while the individual returns to work on a trial basis.

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*This brochure is a summary of NDCC 15-39.1-18 and NDAC 82-07 and is not intended to provide total information concerning disability retirement benefits. More detailed information may be obtained by contacting:*

### ND RETIREMENT AND INVESTMENT OFFICE

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*In compliance with the Americans with Disabilities Act, this document can be provided in alternate formats. Contact the administrative office to request an alternate format.*

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